



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 1/8/2003

GAIN Report #IN3002

## India

### Agricultural Situation

### Weekly Highlights & Hot Bites, #2

2003

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#### Report Highlights:

**\*Global gastronomic delights for city\*, \*Cargill eyes commodity bourses\*, \*Coke and Pepsi foreign direct investment cases cleared\*, \* Free trade talks with Singapore\*, \*India supportive of Thai proposal for rice body\*.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1], IN

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

**DISCLAIMER:** Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

## **GLOBAL GASTRONOMIC DELIGHTS FOR CITY**

The face of the New Delhi gastronome is changing as exotic food is increasingly finding its place in middle class homes across the city. City shops in the middle class localities are most reflective of the trend as they display Thai curry paste, various sauces, dressings/seasonings, exotic veggies like black mushrooms, lemon grass to name few food categories. More and more working class women are taking a break from conventional Indian food for convenience foods, plus a willingness to try out new cuisines. TV shows and Internet sites have also educated consumers about global cuisines. Usual cooking oil is making way for olive oil as a healthier option even in the traditional dishes in some households. With the growing number of working class women, foods in ready-to-eat packs, ready-made dressings, curry paste, etc. are in increasing demand. Popularity of these exotic accompaniments can be judged from the fact that even Indian companies are manufacturing these products. (Source: Times of India, 01/09/03)

## **CARGILL EYES COMMODITY BOURSES**

Cargill India Pvt. Ltd. has filed an amended application with the GOI's Foreign Investment Promotion Board (FIPB) seeking to extend its activities into commodities futures trading. According to Cargill India Country Manager, Mr. Hardeep Singh, this is to de-risk their operations. "If we don't hedge or de-risk our operations, we would be speculating", he said. While the National Board of Trade owned by the Soybean Processors' Association of India offers future trading in soybean and its products, the government has not yet permitted futures trading in wheat. Mr. Singh mentioned that they would like to take part in futures trading in soyoil in Indore and wheat, as and when future trading is permitted. (Business Line, 1/1/03)

## **COKE & PEPSI FOREIGN DIRECT INVESTMENT CASES CLEARED**

The GOI has cleared Coca Cola's proposal to convert rs. 8.05 billion (\$167 million) worth of foreign investment, now lying in the advance share capital account of its Indian subsidiary, into preference shares. Approval was also given to Pepsi's proposal to acquire franchise bottling operations, subject to a five-year disinvestment clause. (Business Standard, 1/1/03)

## **FREE TRADE TALKS WITH SINGAPORE**

Bilateral talks on free trade between India and Singapore would be held soon after the completion of an ongoing study on comprehensive economic cooperation, Mr. S.R. Nathan, President of Singapore, stated after inaugurating the Explorer Building at the International Technology Park in

Bangalore. The study is likely to be completed during the first half of 2003. President Nathan mentioned that the prospects for cooperation in trade between the two countries were great in the context of globalization, and there were tremendous opportunities that needed to be tapped properly. (Business Line, 1/7/03)

### **INDIA SUPPORTIVE OF THAI PROPOSAL FOR RICE BODY**

India favorably views the Thai proposal for greater cooperation among rice exporting countries to protect the interest of farmers by fetching higher prices in the world market. "It will be to the benefit of farmers, will ensure better prices and not be in contravention of the WTO rules", a senior GOI official stated. He said that in a high level inter-ministerial meeting, it was felt that India being a major regional power, it will not be desirable for India to be left out the Thai-proposed Council on Rice Trade Cooperation. (Economic Times, 1/4/03)

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